Alberta Economy

Indicators at a Glance

Economic Activity

The Alberta Activity Index fell 1.0% in July but continues to improve over last year's levels, up 6.3% y/y. In 2016, Alberta's real GDP by industry fell by 3.8%, the largest drop among the provinces for the second year in a row.

Population

Alberta's population was 4,286,134 as of July 1, 2017, an increase of 1.2% from the year prior. Canada's population grew 1.2% from a year ago.

Migration

Net migration to Alberta was 5,486 in the second quarter of 2017. During this time, Alberta welcomed 10,400 net international migrants. However, there was a net outflow of interprovincial migrants (-4,914), the eighth consecutive quarterly decline.

Employment[1]

Alberta lost 7,800 jobs in September as part-time job losses (-9,900) were partially offset by an increase in full-time positions (+2,300). Employment increased 0.6% year-over-year (y/y).

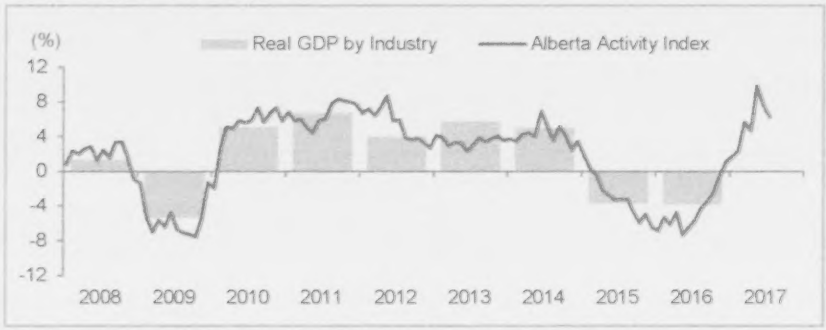
Unemployment Rate[1]

Alberta's unemployment rate fell 0.2 percentage points to 7.9% in September. Canada's unemployment rate held steady at 6.2%.

Rigs Drilling

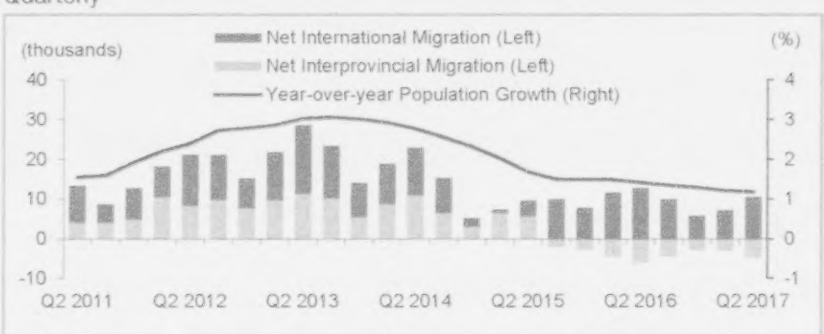
The number of active rigs in Alberta averaged 127 in September, up 60% y/y. Year-to-date, the number of active rigs has average 127, nearly double the amount in 2016.

Economic Activity
Year-over-year % change



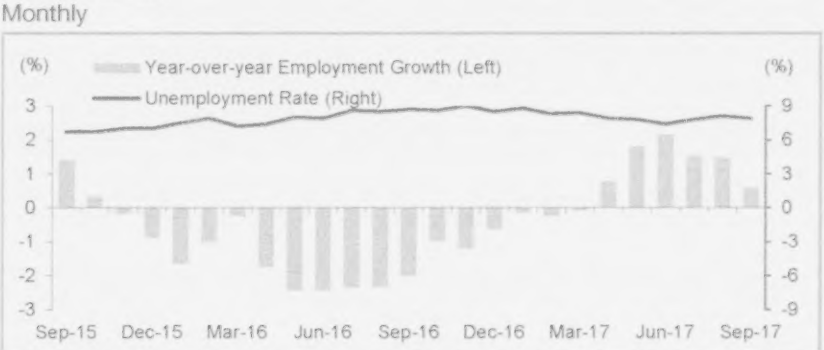
Sources: Statistics Canada and Alberta Treasury Board and Finance

Demographics
Quarterly



Source: Statistics Canada

Labour Market
Monthly



Source: Statistics Canada

NEW: Inflation

The Alberta Consumer Price Index (CPI) rose 1.3% y/y in September. Excluding food and energy prices, inflation dropped to a 6-year low. The Canadian inflation rate also ticked up in September to 1.6%.

Average Weekly Earnings[1]

Average weekly earnings (AWE) in Alberta fell by 0.9% in July to $1,125. Earnings are virtually unchanged from a year ago as higher earnings in the service sector (+2.4% y/y) are offset by lower earnings in the goods sector (-5.1% y/y).

NEW: Retail Sales[1]

Alberta retail sales decreased by 0.4% m/m to $6.7 billion in August. Retail sales grew 8.2% y/y, the ninth consecutive month of year-over-year gains.

Housing Starts[1]

Alberta housing starts rose 13% m/m in September to 29,768 units (annualized). Housing starts rose by 2% y/y, as strength in single-family starts (11% y/y) were partially offset by weakness in multi-family starts (-8% y/y).

New Housing Price Index

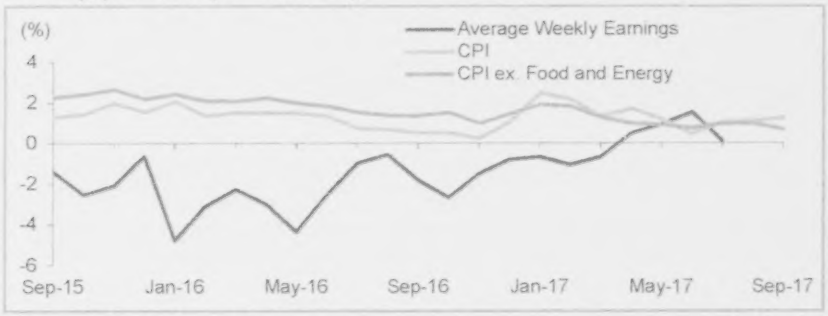
Alberta's New Housing Price Index (NHPI) increased 0.1% y/y in August. The house-only component was down 0.1% y/y, while land prices were up 0.4% y/y.

Building Permits[1]

Alberta building permits were up 6.2% m/m (+0.7% y/y) in August to $1.1 billion. Non-residential permits fell 33% y/y and residential permits rose 28% y/y.

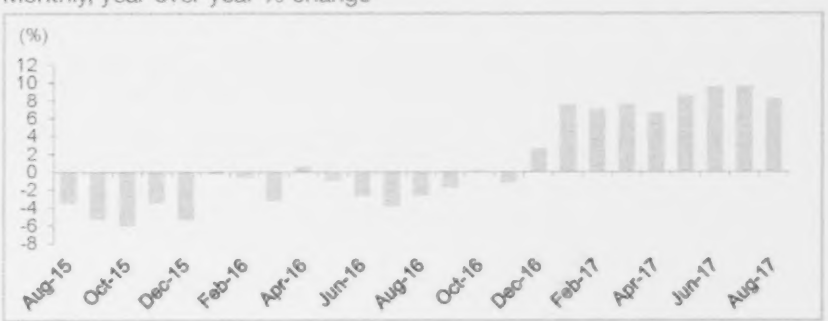
[1] Seasonally adjusted

Inflation and Earnings
Monthly, year-over-year % change



Source: Statistics Canada

Retail Sales
Monthly, year-over-year % change



Source: Statistics Canada

Housing Market
Monthly

Source: Statistics Canada, Canada Mortgage and Housing Corporation

Contact

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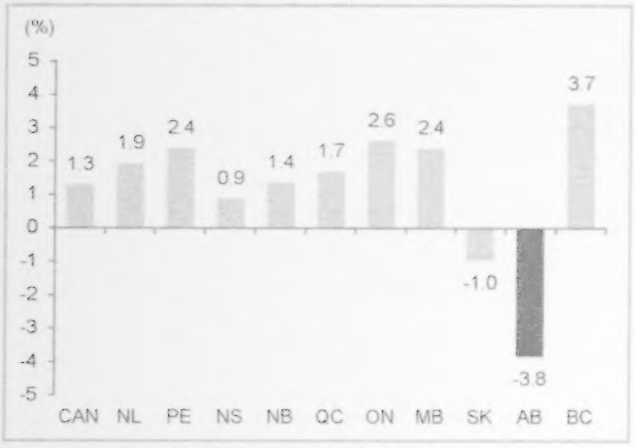
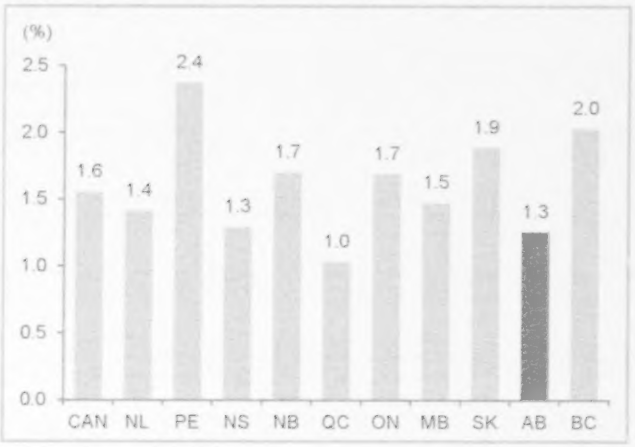
	Canadian Dollar (USc/$CAN)	WTI Oil ($US/bbl)	NYMEX Natural Gas ($US/MMBtu)	Alberta Reference Price ($C/GJ)
Latest (October 19, 2017)	80.14	51.29	2.87	1.83 (AE)
Fiscal year-to-date	77.36	48.34	3.03	2.26

Please see the *Weekly Economic Review* for current analysis on the Alberta economy.

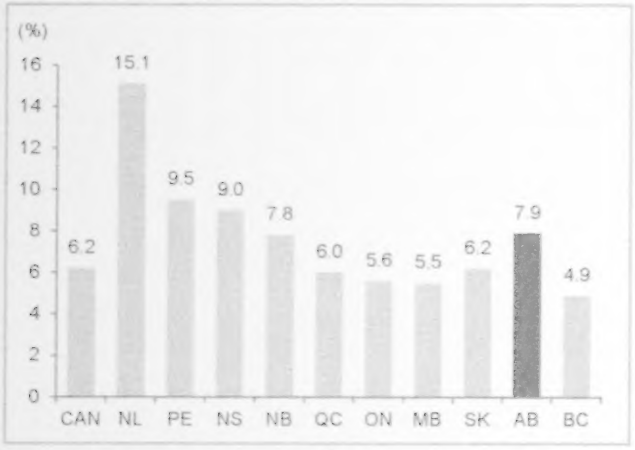
Real GDP by Industry
(2016, year-over-year growth)



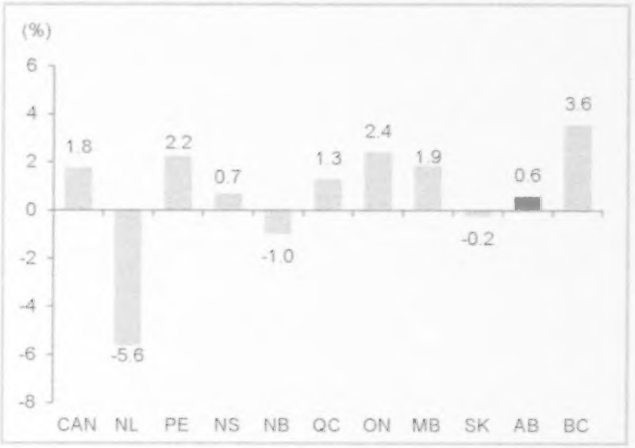
CPI Inflation
(September 2017, year-over-year growth)



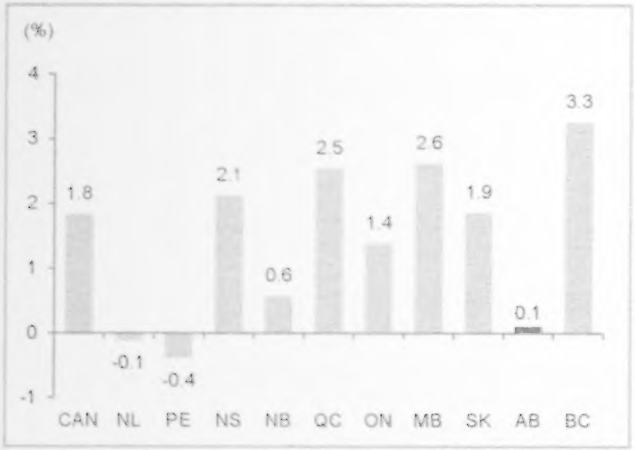
Unemployment Rate
(September 2017)



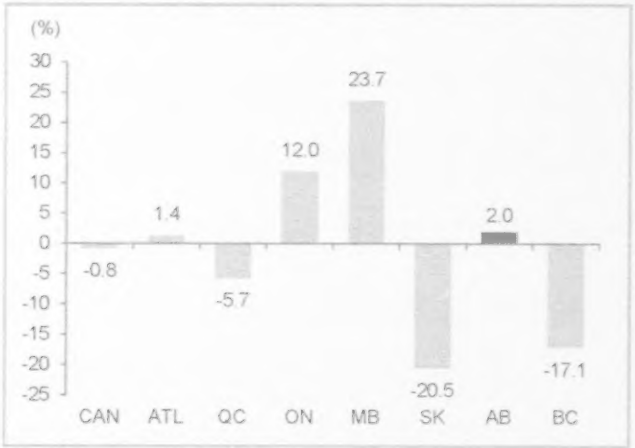
Employment
(September 2017, year-over-year growth)



Average Weekly Earnings
(July 2017, year-over-year growth)



Housing Starts
(September 2017, SAAR, year-over-year growth)



Alberta Economic Indicators

	2015	2016	2017YTD	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17
Alberta Activity Index (y/y % change)	-3.0	-4.4	5.4	4.5	9.8	7.6	6.2		
Population[1]									
Population (thousands)	4,178	4,236	4,286	4,272			4,286		
y/y % change	1.7	1.4	1.2	1.2			1.2		
Net Interprovincial Migration	21,594	-15,108	15,131	2,942			4,914		
Net International Migration	15,694	42,102	33,210	7,200			10,400		
Labour Market									
Employment (thousands, SA)	2,301	2,264	2,284	2,289	2,291	2,299	2,284	2,287	2,279
m/m change, (thousands)				0.3	2.2	7.5	14.4	2.3	7.8
y/y % change	1.2	-1.6	0.9	0.8	1.8	2.2	1.5	1.5	0.6
Unemployment Rate (%, SA)	6.0	8.1	8.0	7.9	7.8	7.4	7.8	8.1	7.9
Participation Rate (%, SA)	73.0	72.5	72.5	72.7	72.5	72.4	72.2	72.5	72.0
Average Weekly Earnings ($, SA)	1,146	1,119	1,119	1,125	1,112	1,135	1,125		
y/y % change	0.3	-2.4	0.1	0.5	0.9	1.5	0.1		
Household Sector									
NEW Retail Sales ($ million, SA)	76,019	75,110	53,783	6,706	6,784	6,802	6,765	6,741	
y/y % change	4.0	-1.2	8.0	6.6	9.5	9.5	9.6	8.2	
NEW New Vehicle Sales (units, thousands)	242	224	170	24	24	24	22	22	
y/y % change	12.7	-7.6	13.4	15.0	17.2	14.2	14.3	18.4	
NEW Consumer Price Index (y/y % change)	1.3	1.1	1.4	1.7	1.3	0.4	1.0	1.1	1.3
Excluding Food & Energy	2.3	1.7	1.1	1.0	0.9	0.7	1.0	1.0	0.7
Housing Starts (SAAR, 000's)	37.3	24.5	29.4	31.2	32.6	31.0	33.7	26.4	29.8
y/y % change	8.1	-34.2	21.6	9.0	47.4	27.3	31.6	34.2	2.0
New Housing Price Index (y/y % change)	0.7	0.5	0.4	0.5	0.8	0.4	0.0	0.1	
NEW Resale Home Sales	56,478	52,167	42,327	4,814	4,545	4,610	4,549	4,624	4,667
y/y % change	-21.0	-7.6	9.1	18.0	4.6	3.1	1.4	6.4	4.9
NEW Sales to New Listing Ratio	0.52	0.49	0.49	0.51	0.45	0.45	0.46	0.47	0.47
NEW MLS Average Resale Prices ($ thousands)	393	396	397	401	402	402	395	395	394
y/y % change	-1.9	0.4	1.5	2.6	2.3	3.2	1.7	0.6	1.3
Consumer Bankruptcies (level)	4,280	5,427	2,951	407	460	416	328		
y/y % change	10.9	26.8	-6.5	-16.6	4.2	8.4	13.9		
Business Sector									
Goods Exports (customs basis, $ million)	92,441	78,834	66,869	8,218	8,881	8,055	7,848	8,140	
y/y % change	-24.0	-14.7	36.1	52.9	59.1	29.2	33.8	15.2	
Energy Products ($ million)	62,500	51,468	46,635	5,556	6,164	5,486	5,105	5,751	
y/y% change	-31.5	-17.7	49.8	78.3	81.9	36.2	38.7	19.4	
Agricultural Products ($ million)	6,474	6,283	4,815	614	709	582	540	516	
y/y % change	0.2	3.0	17.5	0.1	33.2	17.5	12.4	18.4	
Rigs Drilling	120	79	127	86	91	87	119	126	127
y/y% change	-52.6	-34.0	94.5	193.9	143.7	112.8	103.6	66.8	59.7
NEW Manufacturing Shipments ($ million, SA)	68,178	62,703	46,833	5,950	6,054	5,943	5,776	5,813	
y/y% change	-14.3	-8.0	14.1	16.4	19.6	13.3	9.9	9.0	
Wholesale Trade ($ million, SA)	79,380	71,765	48,733	6,467	6,795	6,577	6,857		
y/y% change	6.3	9.6	9.2	9.1	16.8	9.6	10.3		
Building Permits ($ million, SA)	16,753	14,200	8,871	1,002	1,181	1,089	1,037	1,102	
y/y% change	-8.2	-15.2	-2.3	21.7	15.9	10.9	8.2	8.7	
Residential Permits ($ million, SA)	9,876	7,930	5,539	662	749	711	662	769	
y/y % change	-8.8	-19.7	15.4	1.8	34.1	23.9	11.3	28.1	
Non Residential Permits ($ million, SA)	6,877	6,270	3,332	340	432	378	371	333	
y/y% change	-7.4	-8.8	22.1	-43.8	-6.3	-6.9	-30.2	-32.6	
Non Res. Building Cons. Price Index[2] (y/y % change)	-0.7	-2.8	0.1			0.7			

[1] Population data presented on a census year basis (July 1– June 30). The current census year 2017.

[2] Quarterly, average of Calgary and Edmonton

YTD YTD (year-to-date). "SA" denotes seasonally adjusted. "SAAR" denotes seasonally adjusted at annual rate.

Sources: All data is from Statistics Canada except the Alberta Activity Index (Alberta Treasury Board and Finance), Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).All historical data are subject to revision